



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**B. Todd Jones,
United States Attorney**

**Jeanne F. Cooney
Director of Community Relations
(612) 664-5611
email: jeanne.cooney@usdoj.gov**

News Release

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Man indicted on 5 counts of tax evasion

A federal grand jury has returned an indictment against a former computer programmer for evading income taxes for calendar years 2002 through 2006. In the indictment, which was filed with the U.S. District Court earlier today, Mark D. Bridges was charged with five counts of tax evasion. The indictment alleges Bridges orchestrated an abusive-trust scheme by contracting his programming services through one business but invoicing the work through a second business. Bridges then allegedly deposited the checks for payment of those services into the account of a third business before using the money to pay for his living expenses. The indictment charges that during the life of this scheme, Bridges failed to file federal income tax returns.

Specifically, between 2002 and 2006, Bridges contracted through Forward Systems, Inc., to perform computer programming services for the Banta Corporation. Bridges had the cost of his services, totaling \$678,665, billed through Master Piece, Co., and he deposited the checks received in payment of those services into a checking account under the name of Fortune Trade, Inc. Bridges was the trustee of Master Piece and the president of both Forward Systems and Fortune Trade, after causing all three corporations to be formed.

Bridges, the indictment alleges, also contracted services with Utility Engineering in 2002 through Master Piece and Forward Systems. The cost of those services were billed through Forward Systems, yet the checks for the services Bridges rendered were made payable to Master Piece and deposited into the Fortune Trade account.

The indictment alleges that between 2002 and 2006, Bridges failed to maintain or have maintained corporate minute books or records of board of directors meetings or annual shareholder meetings for any of the three companies. Moreover, allegedly, two of the people listed as officers for the companies during that time were not even real people. In addition, the indictment states that no corporate tax returns were filed for any of the three companies for calendar years 2002 through 2006.

As a result, the indictment alleges that Bridges received taxable income in excess of \$97,000 in 2002 and owed the Internal Revenue Service (“IRS”) \$20,006. In 2003, he allegedly received more than \$62,000 and owed the IRS \$9,264. In 2004, he allegedly received over \$44,000 and owed the IRS \$5,971. In 2005, he allegedly received in excess of \$49,000 and owed the IRS \$6,714. And, in 2006, he allegedly received more than \$57,000 and owed the IRS \$7,904.

If convicted, Bridges faces a potential maximum penalty of five years in prison on each of the five tax evasion charges. All sentences will be determined by a federal district court judge. This case is the result of an investigation by the IRS-Criminal Investigation Division. It is being prosecuted by Assistant United States Attorney Paul A. Murphy.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial. Per U.S. Department of Justice policy, the U.S. Attorney’s Office is not allowed to provide the age and city of residence for defendants charged in criminal tax cases.